

INDIA'S ARAMCO MOMENT?

In 2019, Saudi Arabian Oil Co (Aramco) came out with the world's biggest IPO. The Saudi regime raised \$25.6 billion by diluting just a 1.5 per cent stake, valuing the firms at \$1.7 trillion.

The Indian government plans to divest 5 per cent equity for ₹ 65,000 crore (\$8.7 billion) in the insurance behemoth LIC. A few charts here explain why LIC's IPO is touted as India's Aramco moment:

Issue size dwarfs amount mobilised during full year
At ₹65,000 crore, the IPO size is greater than the cumulative amount raised during any calendar year barring 2017 and 2021, shows the data provided by PRIME Database. In 2017, 36 IPOs had raised a total ₹67,147 crore and last year 63 issues raised ₹ 1.19 trillion.

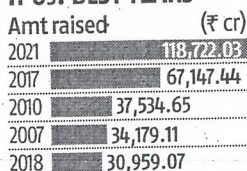
Bigger than FPI, DII, retail flows into IPOs

LIC is looking to mobilise more than what FPIs, DIIs and retail cumulatively invested in all IPOs of 2021.

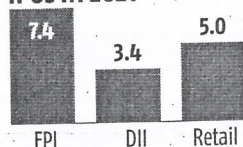
Equity holdings of over ₹9.5 trillion

At end of December 2021, the value of LIC's investment in listed firms

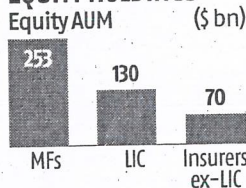
IPOs: BEST YEARS



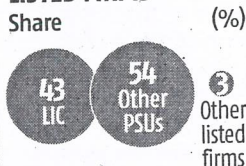
AMOUNT INVESTED IPOs IN 2021 (in \$ bn)



BREAK-UP OF DII EQUITY HOLDINGS



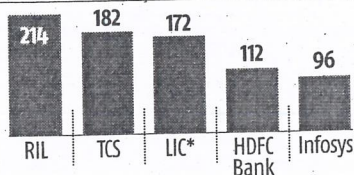
GOVT'S STAKE IN LISTED FIRMS



TOP THREE BY M-CAP?

M-cap (\$ bn)

*as per estimates
Source: UBS report, PRIME Database



stood at ₹9.53 trillion. According to UBS, LIC is the largest domestic investor, accounting for nearly a third of all DII holdings.

Govt's largest holding

After LIC's listing, the insurer will account for 43 per cent stake of government holdings in listed companies. The share of PSUs that are currently listed will shrink to 54 per cent and the share government's holding in non-PSUs will

shrink to 3 per cent.

To break into the top-3 club

After listing, the insurer will likely be among the top three most-valued stocks in the country, after Reliance Industries and Tata Consultancy Services (TCS). If the government prices the issue aggressively or if LIC's shares rally after listing, it can even take the top spot, experts say.

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